SENATE BIPARTISAN STUDENT LOAN DEAL VS. HOUSE GOP BILL

Making a college education more affordable is the right thing to do for the nation's long-term prosperity. Unfortunately, in May House Republicans passed a bill that makes college more expensive. Yesterday, the Senate passed a bipartisan student loan bill that corrects the House passed GOP bill and reverses the July 1 interest rate hike. Here's how the Senate bipartisan bill is better than the House passed GOP bill:

Bipartisan Senate Bill Provides Students $25 Billion in Debt Relief from 2013 to 2018.

Over the 2013-2018 periods undergraduate students will save $25 billion compared to the current law 6.8 percent interest rates, according to the Congressional Budget Office. By contrast, under the Republican House passed bill, students would pay almost $1 billion more in interest payments during the 2013 to 2018 period.

Bipartisan Senate Bill Provides Students $4B in Debt Relief Over the Next 10 Years.

Over the next 10 years, the Republican House passed bill charges students $3.5 billion in additional interest payments, and that jumps to $3.7 billion by year 11. By contrast, the Senate bipartisan bill nets out to $4 billion in savings for students over the next 10 years (2013-2022), only turning net negative in year 11 by $715 million.

Bipartisan Senate Bill Locks in Today's Low Interest Rates so they Know What they Owe.

The Senate bipartisan bill allows students to lock in today's low interest payments, so they will know what they owe before signing on the dotted line. This allows students and families most battered by the Great Recession to benefit from low interest rates now.

Bipartisan Senate Bill Saves College Freshman Thousands of Dollars in Lower Interest Payments Compared to House Passed Bill.

A freshman undergraduate beginning school this year, taking out the maximum amount of loans, will save $3,300 in lower interest payments during their college career compared to current law and $5,080 under the House bill. Under the Republican House passed bill, the interest rate taken out for a loan changes each year during the 10 year repayment period starting after they graduate, so students under the House bill are not able to take full advantage of today's interest rates.

Bipartisan Senate Bill Has Lower Caps than House Passed Bill.

Because the Senate Republicans finally dropped their opposition to caps, the Bipartisan Senate bill now has interest rate caps that allow students to fully benefit when interest rates are very low, but protects them when interest rates go up sharply by capping them at 8.25%. The Senate passed bill has lower interest rate caps for undergraduates compared to the House passed bill (8.25% versus 8.5%).

Bipartisan Senate Bill Has Lower Undergraduate Interest Rates for Undergraduates.

The Senate Bill has lower interest rates for undergraduate borrowers, T-bill plus 2.05% for the Senate versus T-bill plus 2.5% for the Republican passed House bill.